

CDM-2024ALY9-INFO

Ninth annual analysis report to the CDM Executive Board on the results of DOE performance monitoring

Version 01.0



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1. Introduction

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its fifty-eighth meeting (EB 58) adopted the “Procedure on performance monitoring of designated operational entities” (hereinafter referred to as the DOE performance monitoring procedure) and subsequently revised it three times with the latest revision 04.0 being adopted at EB 106. The DOE performance monitoring procedure requires that the Board be provided annually, with an analysis report on performance of designated operational entities (DOEs) along with proposals for potential system-wide improvement.
2. This, the ninth such report, summarizes and analyses the findings from the twentieth to the twenty-second DOE monitoring periods (MPs), running respectively:
 - (a) MP 20, 1 May to 31 August 2022 (accounting for data and submissions finalized by 28 February 2023);
 - (b) MP 21, 1 September to 31 December 2022 (accounting for data and submissions finalized by 30 June 2023);
 - (c) MP 22, 1 January to 30 April 2023 (accounting for data and submissions finalized by 31 October 2023).
3. For comparative purposes, this report includes data from the previous reporting period (i.e. the eighth reporting period, covering MP 17 to MP 19).
4. This report provides:
 - (a) Information, trends and analysis of the long-term performance of DOEs;
 - (b) Analysis of the issues arising from DOE performance;
 - (c) Potential broad proposals for system-wide improvement via identification of issues where guidance or requirements lack clarity or are non-existent.
5. An overview of the performance of DOEs is provided following the trends observed through analysis of the issues raised in: requests for review (RfRs) or requests for clarification (RfCs) and rejected requests from DOEs and areas of potential improvement for requests for registration and issuance for both project activities and programmes of activities (PoAs), requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for approval of post-registration changes (PRCs) of both project activities and PoAs under the prior-approval track, and notifications of changes to component project activities (CPAs). A more detailed analysis is provided for the indicators I_1 , I_2 and I_3 in sections 2, 3 and 4 respectively. The areas for potential system-wide improvement are provided in section 5 below.
6. The definitions of the indicators I_1 , I_2 and I_3 are listed as below:
 - (a) Indicator I_1 includes the following two sub-indicators:

- (i) Indicator $I_{1,CC}$: Rate of incomplete submissions at the stage of completeness check (CC);¹
- (ii) Indicator $I_{1,IRC}$: Rate of incomplete submissions at the stage of information and reporting check (IRC);²
- (b) Indicator I_2 includes the following two sub-indicators:
 - (i) Indicator $I_{2,REG}$: Risk priority number (RPN) value at the stage of review of requests for registration;³
 - (ii) Indicator $I_{2,ISS}$: RPN value at the stage of review of requests for issuance;⁴
- (c) Indicator I_3 calculates RPN value at the stage of clarification and rejection of requests for prior approval of PRCs and notifications of changes to CPAs.⁵

2. Analysis of the indicator I_1

2.1. Overview of performance of DOEs

7. A total of (731) 609 requests were submitted by (22) 18 DOEs,⁶ with the average finalization rate (93) 96 per cent during the three monitoring periods, out of which (19) 11 and (102) 43 submissions were deemed incomplete at CC and IRC respectively.⁷ Table 1 provides an overview of performance of DOEs for indicator I_1 .

¹ The indicator $I_{1,CC}$ is to monitor incomplete submissions at the CC stage of requests for registration and issuance for both project activities and PoAs, requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for approval of PRCs to both project activities and PoAs under the prior-approval track and notifications of changes to CPAs.

² The indicator $I_{1,IRC}$ is to monitor incomplete submissions at the stage IRC of requests for registration and issuance for both project activities and PoAs, requests for renewal of crediting period of project activities and requests for renewal of PoA period.

³ The indicator $I_{2,REG}$ is to monitor requests for review raised for requests for registration for both project activities and PoAs, requests for renewal of crediting period of project activities and requests for renewal of PoA period.

⁴ The indicator $I_{2,ISS}$ is to monitor requests for review raised for requests for issuance for both project activities and PoAs.

⁵ The indicator I_3 is to monitor clarification and rejection of requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

⁶ The data from the previous reporting period is stated in parentheses.

⁷ The DOE performance monitoring procedure, paragraph 15(a), provides a definition of the indicator I_1 , which includes two sub-indicators $I_{1,CC}$ and $I_{1,IRC}$. The DOE performance monitoring procedure, paragraph 24, requires that the DOE is considered to be in the indicator I_1 red zone if its indicator $I_{1,CC}$ or $I_{1,IRC}$ is greater than the respective thresholds.

Table 1. Overview of performance of DOEs

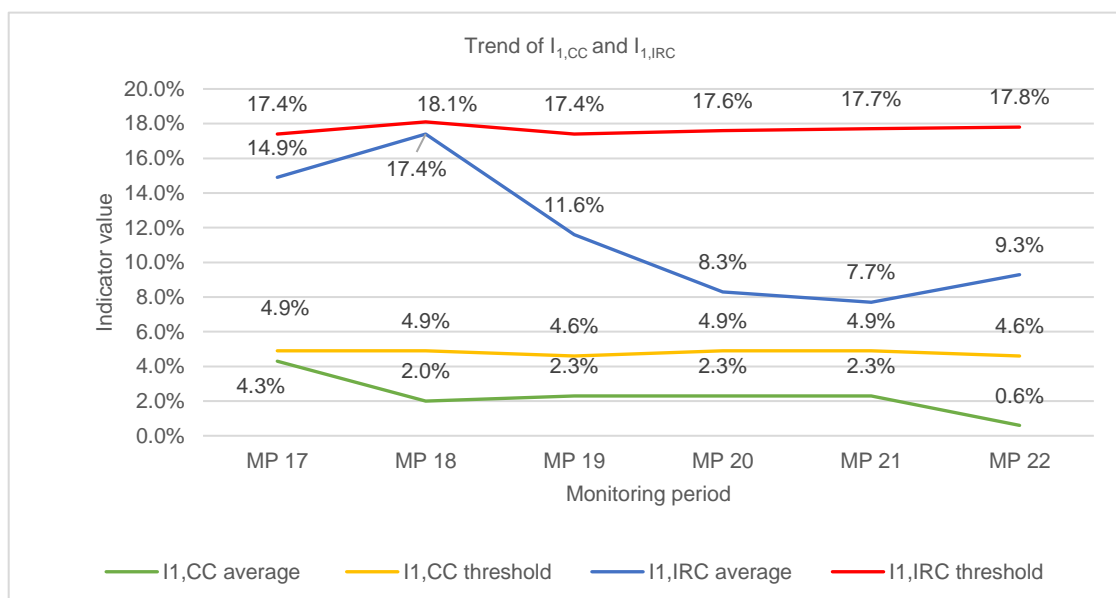
MP	No. of requests submitted ^(a)	No. of DOEs	No. of submissions finalized having CC incompleteness raised	No. of submissions finalized having IRC incompleteness raised	Finalization rate	No. of DOEs in I ₁ red zone
MP 17	224	18	9	33	96%	9
MP 18	269	20	5	42	91%	11
MP 19	238	17	5	27	91%	5
MP 20	219	18	5	17	98%	6
MP 21	217	18	5	16	99%	3
MP 22	173	17	1	10	91%	2

^(a) The requests cover requests for registration for both project activities and PoAs, requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for issuance for both project activities and PoAs, requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

2.2. Evolution of performance of DOEs

8. Figure 1 shows the evolving trend of average value and threshold value for the indicators I_{1,CC} and I_{1,IRC}, respectively.⁸

Figure 1. Evolving trend of the indicators I_{1,CC} and I_{1,IRC}



9. Figures 2 and 3 show the evolving trend in number of DOEs for the indicators I_{1,CC} and I_{1,IRC}, respectively.

⁸ The indicator I_{1,CC} average value is the average value amongst all DOEs in a given monitoring period. The I_{1,CC} threshold value is calculated based on paragraph 21 of the DOE performance monitoring procedure.

Figure 2. Evolving trend in number of DOEs for indicator I_{1,CC}

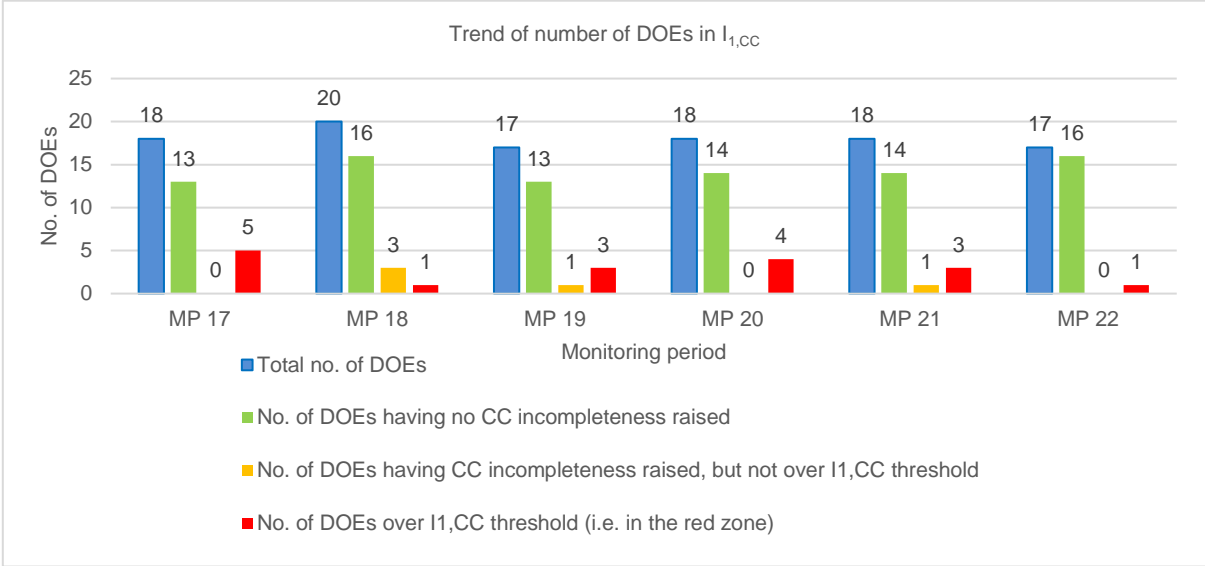
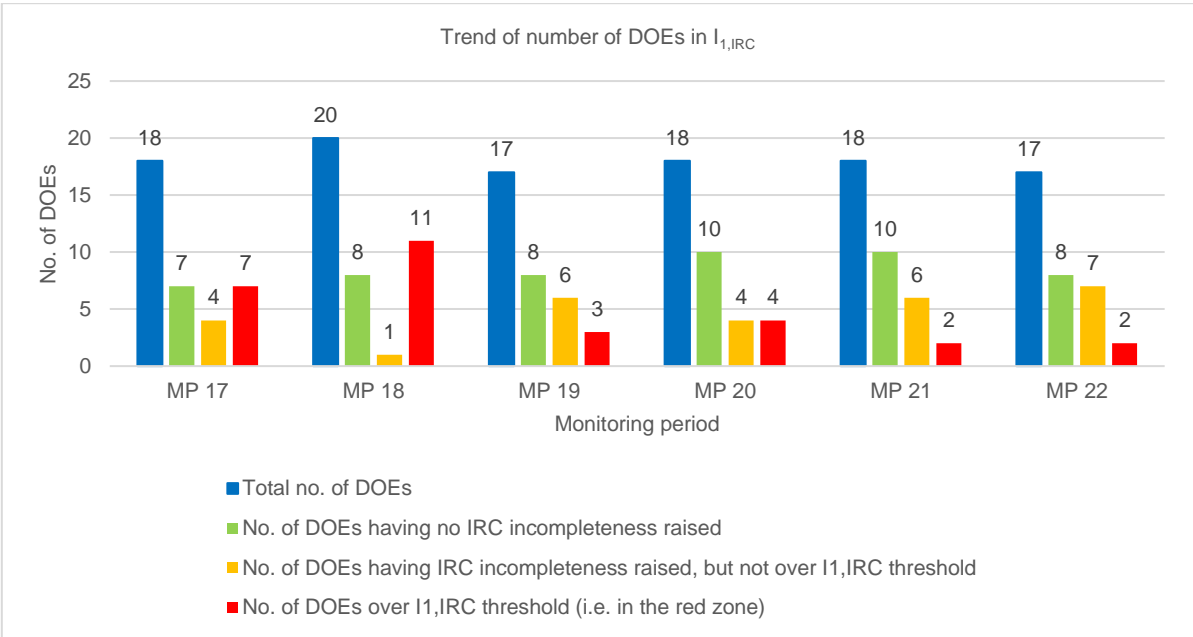
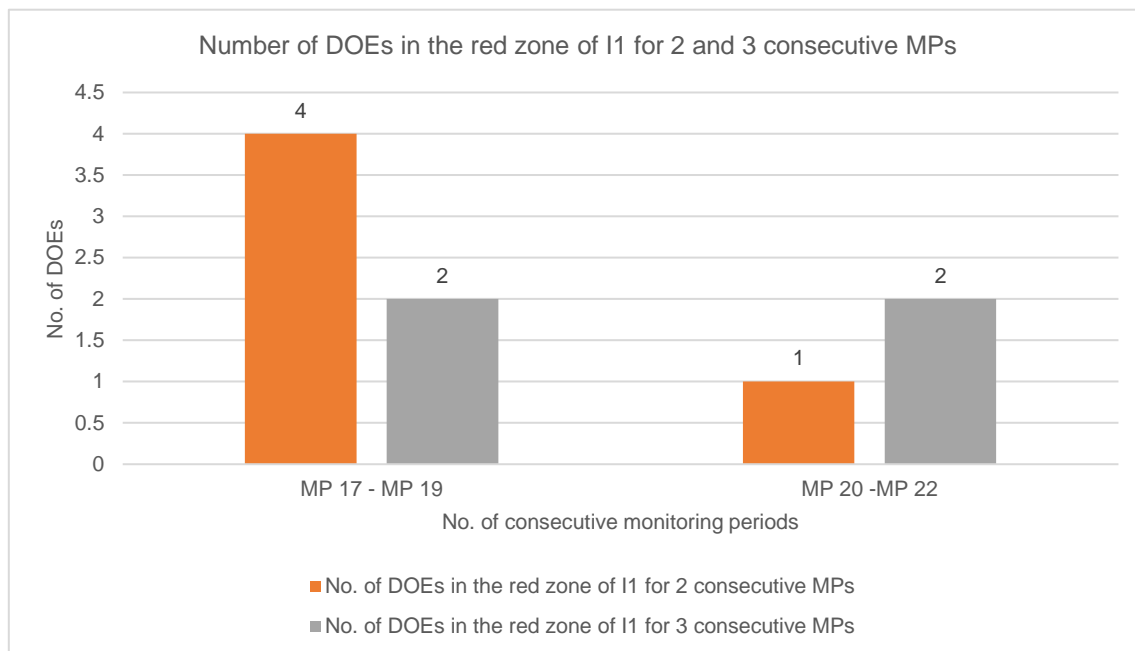


Figure 3. Evolving trend in number of DOEs for indicator I_{1,IRC}



10. From the data presented in figures 2 and 3 above, figure 4 represents the numerical breakdown of the number of DOEs in the red zone for indicator I₁ for at least two consecutive monitoring periods.

Figure 4. Number of DOEs in the red zone for indicator I₁



2.3. Analysis of results for indicator I₁

11. As seen from table 1, the average finalization rate was (93) 96 per cent at the time of the final version of monitoring reports. The average number of the DOEs in the red zone was (8) 4. It is observed that the trend of the number of DOEs in the red zone for indicator I₁, has decreased over the last two reporting periods.
12. Figure 2 shows a decreasing trend in the number of DOEs in the red zone for indicator I_{1,CC} and figure 3 shows a decreasing trend in the number of DOEs in the red zone for indicator I_{1,IRC} across the six monitoring periods. Therefore, it can be concluded that the performance of DOEs has improved for the indicators I_{1,CC} and I_{1,IRC}. As seen in figures 1, 2 and 3, the average ranges of the DOEs in the red zone for indicators I_{1,CC} and I_{1,IRC} from MP 17 to MP 22 are 16 per cent and 26 per cent, respectively, which can be considered as within the range of the system design, i.e. not more than 20–30 per cent.⁹
13. As seen in figure 4, the number of DOEs in the red zone for two consecutive monitoring periods has decreased from four to one, and there were (two) two DOEs that were in the red zone for indicator I₁ for three consecutive monitoring periods. Therefore, it can be concluded that the corrective and/or preventative actions implemented by the DOEs have enhanced the continuous improvement of the respective quality management systems.¹⁰

⁹ Please refer to concept note CDM-EB102-AA-AB-CON

¹⁰ The DOE performance monitoring procedure, paragraph 34, requires that if any DOE performance monitoring report shows a DOE in the indicator I₁ red zone, the DOE shall undertake a root-cause analysis to identify the causes of the deficiencies in its system and implement corrective and/or preventative actions to improve its performance.

3. Analysis of the indicator I_2

3.1. Overview of performance of DOEs

14. A total of (648) 502 requests were submitted by (22) 18 DOEs during the reporting period out of which (three) three RfRs were raised and consequently (five) six RfR issues identified.¹¹ Table 2 provides an overview of performance of DOEs for indicator I_2 .

Table 2. Overview of performance of DOEs

MP	No. of requests submitted ^(a)	No. of DOEs	No. of RfRs raised	No. of DOEs having RfR raised	No. of RfR issues raised
MP 17	196	18	3	2	5
MP 18	225	20	0	0	0
MP 19	227	17	0	0	0
MP 20	195	18	0	0	0
MP 21	193	18	3	1	6
MP 22	114	17	0	0	0

^(a) The requests cover requests for registration for both project activities and PoAs, requests for renewal of crediting period of project activities, requests for renewal of PoA period and requests for issuance for both project activities and PoAs.

3.2. Evolution of performance of DOEs

15. Figure 5 shows the evolving trend of average value and threshold value of the indicator $I_{2,REG}$. Figure 6 shows the evolving trend in number of DOEs for indicator $I_{2,REG}$.^{12,13}

¹¹ The DOE performance monitoring procedure, paragraph 15(b), provides definition of the indicator I_2 , which includes two sub-indicators $I_{2,REG}$ and $I_{2,ISS}$. The DOE performance monitoring procedure, paragraph 25, provides the provisions on how to categorize the DOEs which are considered to be in the green zone, yellow zone or red zone.

¹² The number of RfR raised for registration per DOE in each of these three monitoring periods is less than three; therefore, the DOE performance monitoring procedure, paragraphs 15(b)(i)aii and 25(b), are applied.

¹³ There is no DOE in the red zone of the indicator $I_{2,REG}$ for these three monitoring periods; therefore, the values of the legend "DOEs in $I_{2,REG}$ red zone" shown in the figure 6 are zero for MP 20, MP 21 and MP 22 respectively.

Figure 5. Evolving trend of the indicator I_{2,REG}

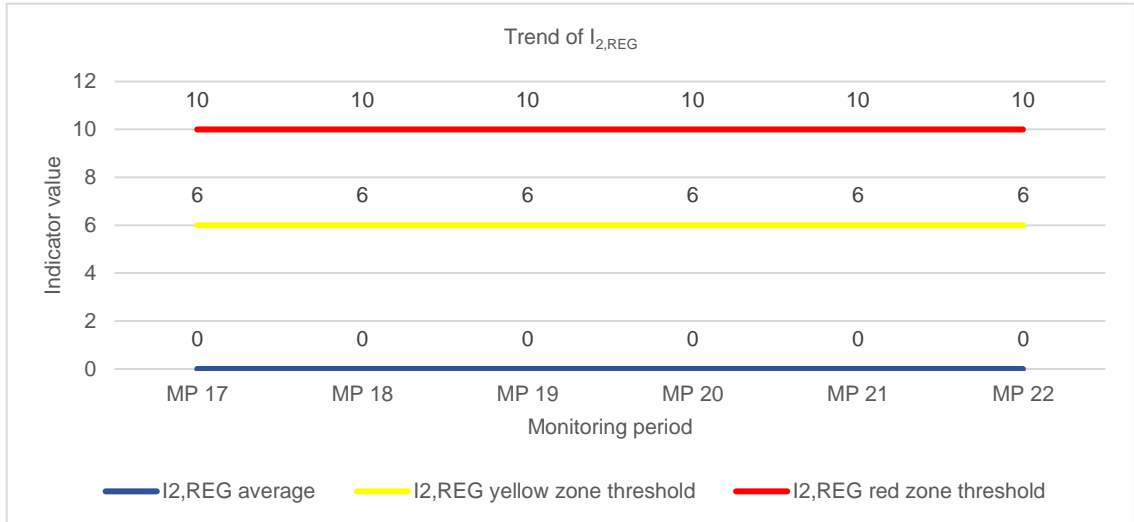
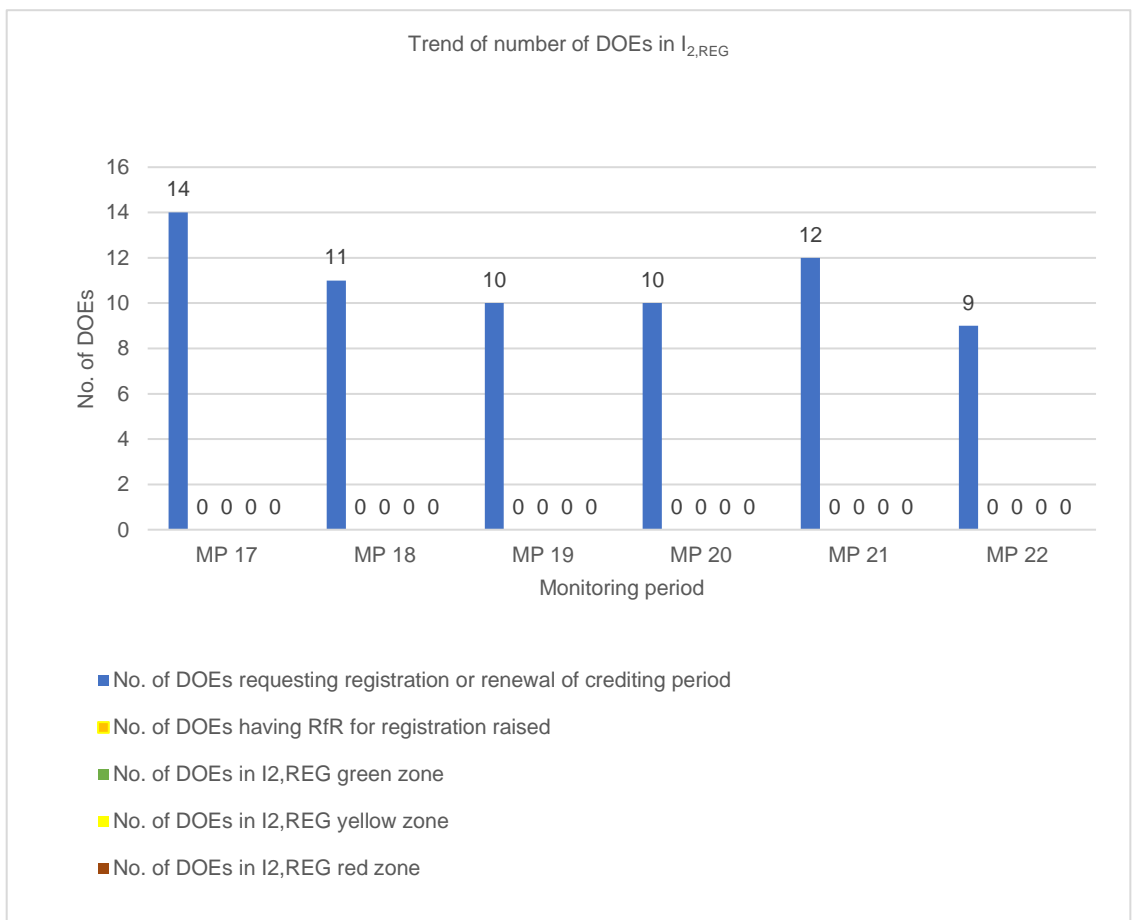
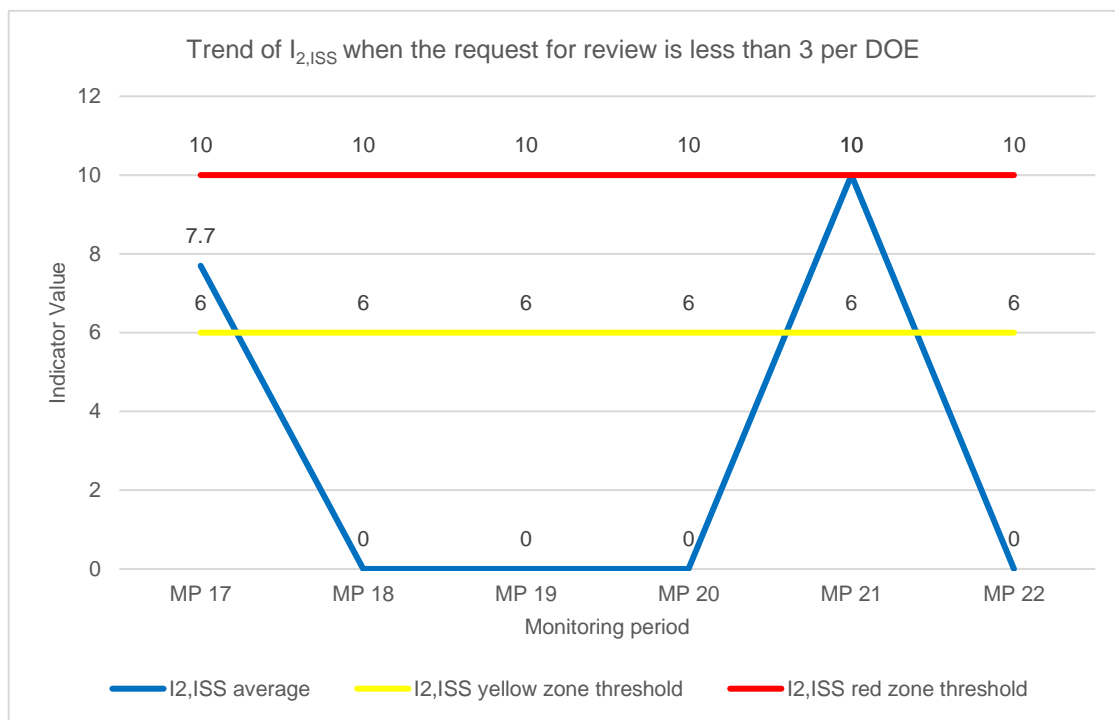


Figure 6. Evolving trend in number of DOEs for indicator I_{2,REG}



16. Figure 7 shows the evolving trend of average value and threshold value of the indicator $I_{2,ISS}$. Figure 8 shows the evolving trend in number of DOEs for indicator $I_{2,ISS}$.¹⁴

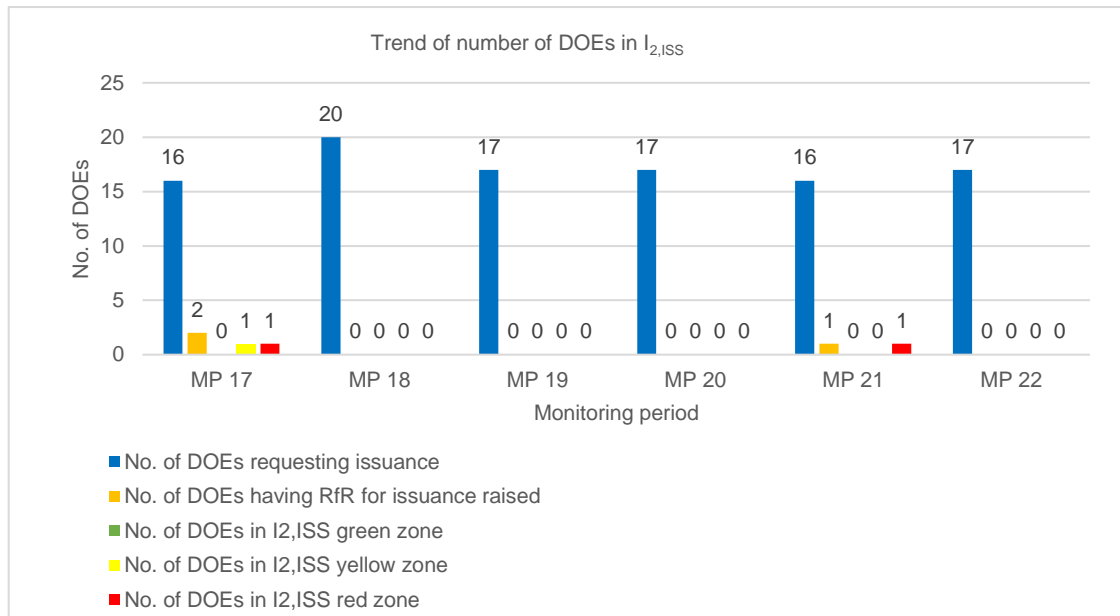
Figure 7. Evolving trend of the indicator $I_{2,ISS}$ ^(a)



^(a) This also covers the scenario where the number of requests for review is greater than or equal to three, but this DOE is the only DOE having such cases in a given monitoring period.

¹⁴ The number of RfRs raised for issuance per DOE in each of these three monitoring periods is less than three; therefore, the DOE performance monitoring procedure, paragraphs 15(b)(ii)aii and 25(b), is applied.

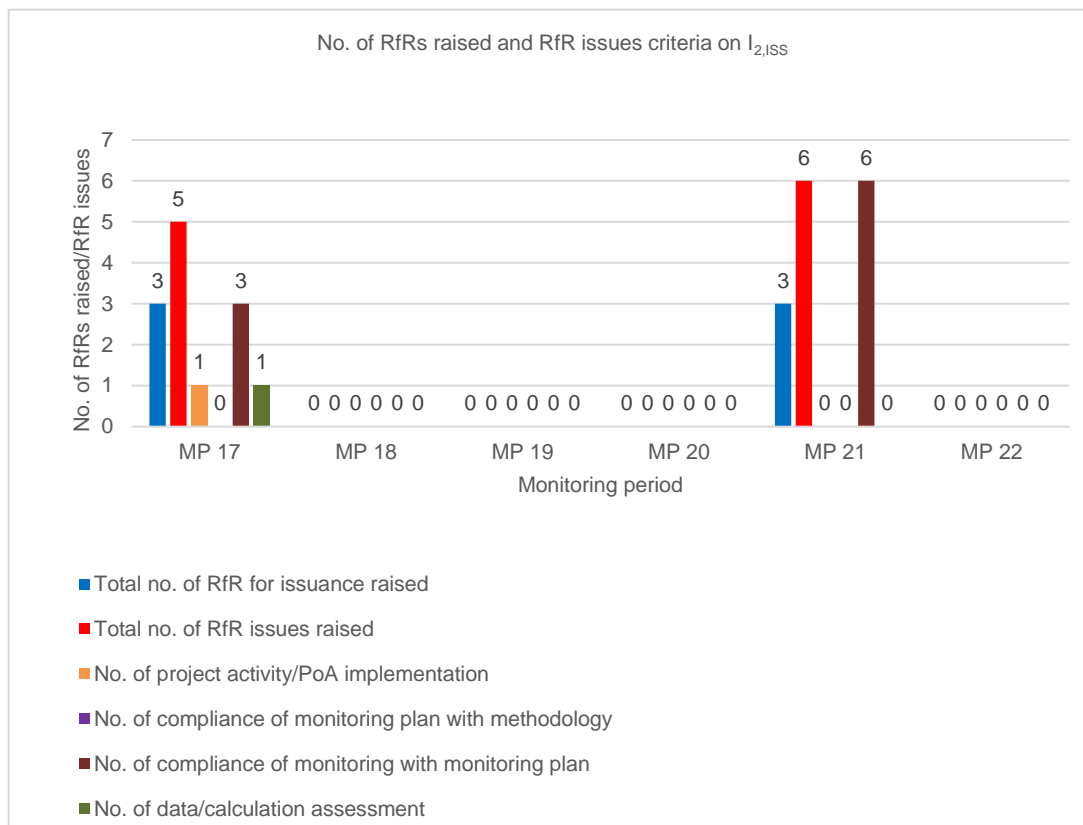
Figure 8. Evolving trend in number of DOEs for indicator I_{2,ISS}



17. Table 2 and figure 9 show the breakdown and trend in number of RfR issues raised and the number of RfR issues criteria for indicator I_{2,ISS}.¹⁵

¹⁵ The DOE performance monitoring procedure appendices 1 and 2 provide the categorization and criteria of non-compliance issues for indicators I_{2,REG} and I_{1,ISS}, respectively. It is to be noted that there are no RfR raised for the indicator I_{2,REG} during this reporting period.

Figure 9. Trend in the number of RfR raised and RfR issue criteria for the indicator $I_{2,ISS}$



3.3. Analysis of results for indicator I_2

18. As seen in figures 5 and 6, for indicator $I_{2,REG}$ it is observed that:

- (a) The average value of indicator $I_{2,REG}$ remains zero;
- (b) There were no DOEs in the green, yellow or red zones;
- (c) No RfR issues were identified for indicator $I_{2,REG}$.

19. As seen in figures 7, 8 and 9 for indicator $I_{2,ISS}$:

- (a) Two DOEs breached the thresholds for the yellow and red zones in previous reporting periods (one DOE in the yellow zone and one DOE in the red zone in MP 17), whereas only one DOE breached the threshold for the red zone in this reporting period (one DOE in the red zone in MP 21). It can be concluded that DOE performance for indicator $I_{2,ISS}$ has improved when compared to the previous reporting period;
- (b) Number of issues identified in each RfR for indicator $I_{2,ISS}$ was increasing from MP 18 to MP 21 and subsequently decreased in MP 22 ;
- (c) Issues identified in RfRs for indicator $I_{2,ISS}$ were categorized under the criteria “Compliance of monitoring with monitoring plan”, as per the procedure.

- (d) There was (one) one DOE in the red zone for indicator I_2 ; therefore, (one) one spot-check was considered. There were (zero) zero DOEs in the yellow zone for indicator I_2 in the three consecutive monitoring periods; therefore, there is no additional performance assessment added.¹⁶

4. Analysis of the indicator I_3

4.1. Overview of performance of DOEs

20. A total of (83) 107 requests were submitted by (eight) nine DOEs during the current reporting period, out of which (15) 19 requests for clarifications (RfCs) were raised, and consequently there are in total (38) 32 issues identified.¹⁷ Table 3 provides an overview of performance of DOEs through the indicator I_3 .

Table 3. Overview performance of DOEs

MP	No. of requests submitted ^(a)	No. of DOEs requesting PRC/notification of change	No. of requests having RfC/rejection raised	No. of DOEs having RfC/rejection raised	No. of issues raised
MP 17	28	9	8	6	22
MP 18	44	5	2	2	8
MP 19	11	8	5	5	8
MP 20	24	5	8	4	9
MP 21	24	9	9	5	17
MP 22	59	3	2	1	6

^(a) The requests cover requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

4.2. Evolution of performance of DOEs

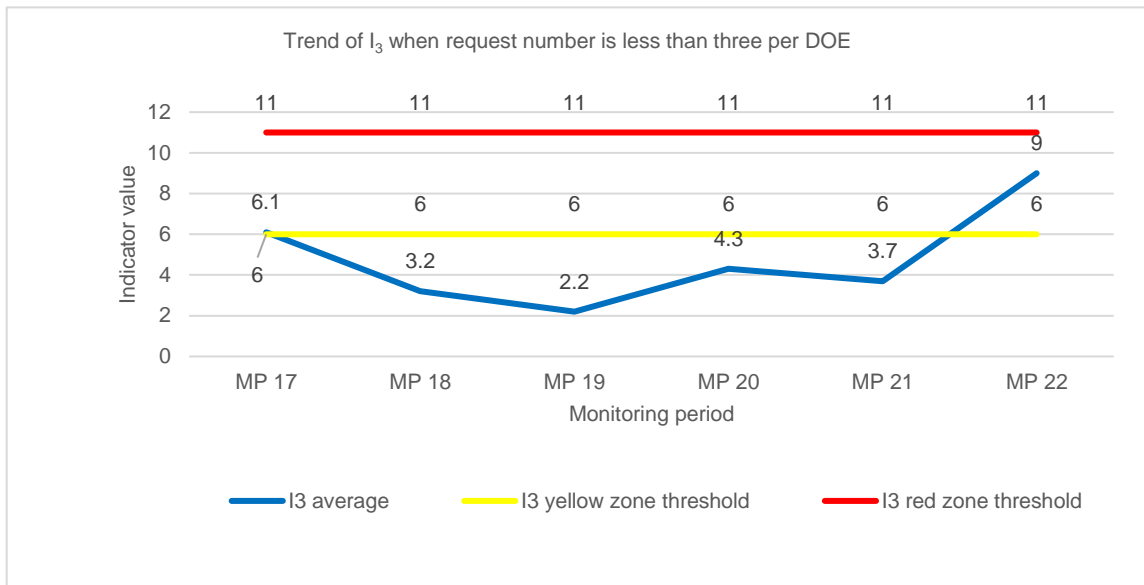
21. Figure 10 shows the trend of the indicator I_3 when the number of RfCs and rejected requests raised per DOE is less than three. It is noted that no situation occurred in this reporting period where the number of RfCs and rejected requests raised per DOE is higher than or equal to three.¹⁸

¹⁶ The DOE performance monitoring procedure, paragraphs 41 and 44, provides for an additional performance assessment (in addition to the number of planned performance assessments) and an initiation of a spot-check if a DOE is in the yellow zone for three consecutive monitoring periods and red zone respectively for indicator I_2 .

¹⁷ The DOE performance monitoring procedure, paragraph 15(c), provides a definition of indicator I_3 .

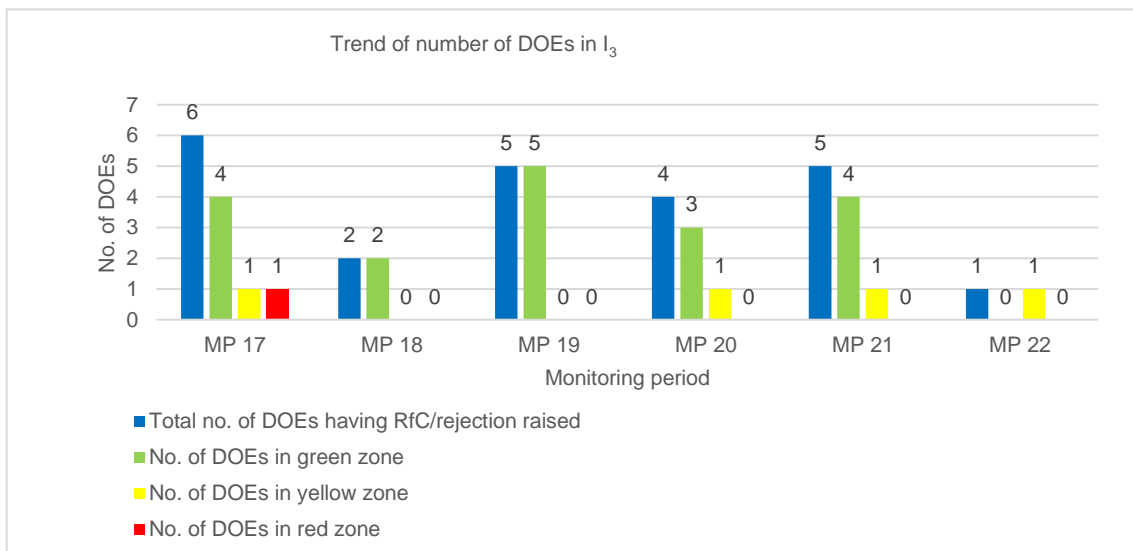
¹⁸ The DOE performance monitoring procedure, paragraph 15(c)(i), describes how to calculate the indicator I_3 based on the situation when the number of RfCs and rejected requests raised during a given monitoring period is higher than or equal to three and less than three.

Figure 10. Evolving trend of the indicator I₃ for those requests where the number of RfCs and rejected requests during a given monitoring period is less than three



22. Figure 11 shows the evolving trend in number of DOEs for indicator I₃.¹⁹

Figure 11. Evolving trend in number of DOEs for indicator I₃

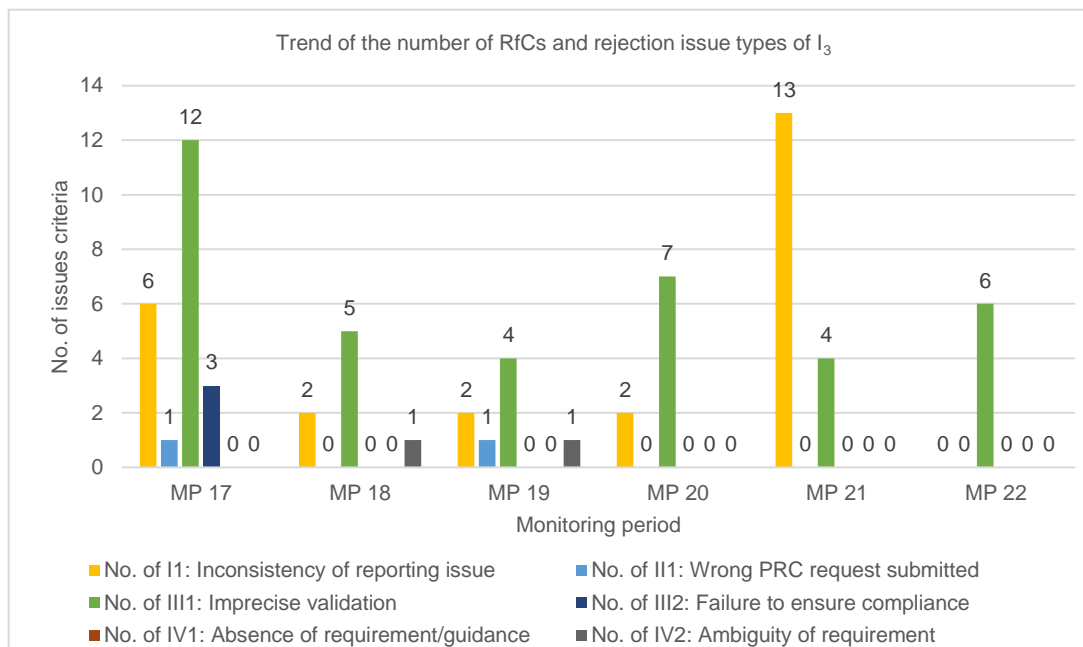


23. Figure 12 shows the evolving trend in number of RfC and rejection issue types for indicator I₃.²⁰

¹⁹ The DOE performance monitoring procedure, paragraph 26, describes how to categorize the DOEs in the green zone, yellow zone and red zone.

²⁰ The DOE performance monitoring procedure, appendix 3, provides the categorization and criteria of non-compliance issues for the indicators I₃.

Figure 12. Trend in RfCs and rejection issue types for indicator I₃



4.3. Analysis of results of the indicator I₃

24. As seen in figure 10 (when the number of RfCs and rejected requests raised per DOE is less than three), the average value of indicator I₃ shows an increasing trend when compared to the previous reporting period, which demonstrates a deteriorating performance of the DOEs. It is noted that there is no request where the number of RfCs and rejected requests is higher than or equal to three, therefore the average value of indicator I₃ remains zero as no RfC issues were raised.
25. As seen from table 3 and figure 11, it is observed that:
- The number of RfCs and rejection requests raised has increased (15) 19;
 - The number of DOEs that submitted PRCs or notifications of change of CPAs and had received RfCs and rejection requests remained constant over the reporting periods, at (59) 59 per cent;
 - A majority of DOEs were in the green zone, at (85) 70 per cent, and the number of DOEs in the yellow zone at (8) 30 per cent for the current reporting period.
26. As seen in table 3 and figure 12, with regard to the number of issues raised and types of issues in the RfCs and rejection requests, it is observed that:
- The average number of issues raised per request decreased (2.5) to 1.7. This corresponds to around two issues per RfC and rejection request;
 - The number of issues under the issue type I111 “Imprecise validation” were decreasing from MP 17, increased at MP 20 and slightly increasing trend observed since MP 21;

- (c) The number of issues under the type I1 “Inconsistency reporting issue” were decreasing from MP 17 but subsequently increased at MP 21.

5. Areas of system-wide improvement

- 27. Taking into consideration the data gathered from these three MPs and the analysis above, there is an improvement in the DOE performance for the indicators I_1 and I_2 (where there is an observed decreasing trend of DOEs breaching the indicator thresholds). Issue type I1 “Inconsistency reporting issue” for the indicator I_3 was observed during MP 21, although that issue type did not occur during MP 22. It will be of value to continuously observe the trend of this issue type for indicator I_3 in subsequent monitoring periods.

Document information

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